

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: December 19, 2013**

SUBJECT: Rural Economic Development Grant Acceptance

SUBMITTING DEPARTMENT: Management

PREPARED BY: Greg Fister, Economic Development Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: Area map

SUMMARY/BACKGROUND: The Arizona Commerce Authority (ACA) recently awarded the Town of Prescott Valley a \$500,000 Rural Economic Development Grant to facilitate the construction of Enterprise Parkway that will connect Valley Road and state Highway 69 just east of the Superior Industries and Lockheed Martin facilities. The Town Council must formally accept the grant before the project can proceed.

Earlier this year, Gary Marks, executive director of the Prescott Economic Development Foundation, with the assistance of town staff, submitted an application for the highly competitive Arizona Rural Economic Development Grant. Only \$1 million was allocated for this grant statewide and the maximum amount to be awarded for any one project was \$500,000. In late November, the town and PVEDF were notified that the maximum amount was awarded to the town to be used for the completion of Enterprise Parkway.

Enterprise Parkway currently exists from Valley Road south to Superior Lane adjacent to Lockheed Martin and vacant land that has been designated as a "Gold Certified Site" by the ACA. Construction of the extension south and east to Highway 69 includes about 4,550 linear feet of roadway that will provide a direct connection from the Big Sky Industrial Park to the state highway. Preliminary engineering of the parkway was completed several years ago and the right-of-way will be dedicated to the town at no cost. The preliminary budget for the parkway extension is approximately \$740,000. In addition, improvements must be completed on Highway 69 at an estimated cost of about \$770,000. If the Arizona Department of Transportation (ADOT) does not approve a traffic signal at the intersection at this time, the Highway 69 estimate would be reduced by about \$500,000. With those savings, it currently is estimated that the project will cost just over \$1 million, with the state grant paying almost half the amount. If a traffic signal is approved, which is desired by businesses in the area, the total cost would increase to an estimated \$1.5 million, of which \$500,000 would be paid by the state grant.

Under the terms of the reimbursement grant, project work must begin within six months of the signing of the agreement with the ACA and must be completed within 18 months.

OPTIONS ANALYSIS: The Town Council could elect to accept the grant OR the Town Council could reject the grant.

ACTION OPTION: Motion to accept the Rural Economic Development Grant OR motion to reject the grant.

RECOMMENDATION: Staff recommends acceptance of the grant.

FISCAL ANALYSIS: The costs not covered by the grant and ultimately borne by the Town of Prescott Valley will be allocated over this fiscal year and next and will be charged to the HURF fund account.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____